

TO: Chief Elected Officials
WIB Chairs
WIB Directors
Program Directors and Managers

FROM: Alan Degner
Commissioner

DATE: February 20, 2003

SUBJ: DWD Commissioner's Directive #2002-11
PY'02 Wagner-Peyser/Unemployment Insurance Local Performance Measures
and Incentive Awards

RE: Wagner-Peyser, Unemployment Insurance

Purpose:

The purpose of this communication is to announce the approach for evaluating and rewarding state merit performance by workforce service area (WSA) for Wagner-Peyser and Unemployment Insurance success commencing in PY'02.

Rescissions:

None.

Content:

The Department of Workforce Development (DWD) is expanding its local performance measurement system to integrate both Wagner-Peyser and Unemployment Insurance program outcomes in PY'02.

Although the Department of Labor (DOL) has a long tradition of measuring Unemployment Insurance outcomes, it has never established a formal performance measurement system for Wagner-Peyser results. That is changing. DOL has announced its intention to implement national Wagner-Peyser performance criteria in PY'02. However, while these criteria have been finalized, no negotiations have been scheduled for setting state goals. DWD intends to meet whatever Wagner-Peyser goals are set, but it will only evaluate its performance on these goals at the state level. Eventually, DWD will create and publish substate versions of the new Wagner-Peyser performance measures, but no outcomes will be available until PY'03. When these substate reports do become available, they will not be used for incentive purposes. They will be distributed for evaluative purposes only.

For PY'02, DWD intends to adapt the five-year continuous improvement policy published in DWD Communication #99-40 (April 7, 2000). That policy describes DWD's approach to measuring successful Wagner-Peyser performance at the WSA level. As part of Indiana's commitment to continuous improvement, new UI measures as well as new goals exist for PY'02. As before, to set the Wagner-Peyser goals, updated administrative records reflecting the number of FTEs (full-time equivalents) in each WSA are used.

The following changes are being implemented in this policy:

- a) the statewide targets for Wagner-Peyser are being adjusted. For secured employments, the goal will be doubled from the normal annual five percent continuous improvement increase. The integration of the new hire tracking system has greatly improved our ability to identify those with jobs. This is being reflected in a new, higher standard. For citizens served and job orders, the goals will continue to be increased by five percent over the original base period. For employers served, however, the goal will revert to the PY'00 target level. That target is still 10% above the baseline experience set in PY'98, and also greater than the highest number of employers recorded being served in a single year in Indiana. This approach is consistent with our negotiated goals for WIA for PY'02, where DOL has recognized that the deterioration of Indiana's economy has made it unrealistic to expect additional gains in this arena at this time,
- b) two Unemployment Insurance outcomes are being added. These measures are: first payment time lapse and continued payment time lapse. The substate goals for meeting these measures are the current federal goals set by DOL nationally, and
- c) the foundation for the incentive award system described in the previous communication will continue to remain in effect. Specifically, half of the amount to be distributed will be equally divided among WSAs who met both PY'02 Wagner-Peyser/UI customer satisfaction goals as well as at least four of the five other local usage and service performance goals (three Wagner-Peyser and two Unemployment Insurance measures: see attached pages).

The remaining half will be distributed to those who have not only met the criteria above, but also exceeded one or more of their five usage and service standards by 5% (the estimated target for the ensuing year's performance) for the Wagner-Peyser measures or the new levels being proposed by DOL for the Unemployment Insurance measures. These exceed levels are published in the tables attached to this communication. This share of the award will be equally distributed based upon the number of standards exceeded.

The customer satisfaction, usage, service and continuous improved goals for Wagner-Peyser and Unemployment Insurance for PY'02 are articulated below.

1. Customer Satisfaction

The Workforce Investment Act (WIA) mandates measures for customer satisfaction. Wagner-Peyser and Unemployment Insurance are key partners in providing services and will be instrumental in achieving the state's customer satisfaction goals. Consequently, WSAs will be measured on both citizen and employer satisfaction, using survey questions consistent with those prescribed by the Department of Labor (DOL).

In PY'02, over half of the citizens and half of the employers served by DWD programs will rate us as above average or excellent. These measures will apply to each WSA.

2. System Usage

Broadening our customer base is a key indicator of system success. To measure system usage, the Customer Self Service System (CS3) will be used to count the number of registrants and employers.

In PY'02, we will serve 345,000 citizens and 12,000 employers statewide. The goal for citizens will be measured statewide, while the goal for employers will be measured by WSA.

3. Customer Service

The critical consequences of providing customer service in a labor exchange system are whether employers list job orders and job seekers find jobs. Consequently, customer service will be measured by the number of recorded job orders and the number of documented secured employments (both placed and obtained). Job orders and secured employments will be tracked via CS3.

The corresponding indicators of successful customer service in an unemployment compensation system are whether individuals are paid quickly and accurately. This will be measured by the percent of first payments made within 14 days and the percent of continued claims paid within seven days.

In PY'02, at least 28,000 job orders will be recorded and at least 69,000 individuals assisted by the one-stop will acquire new jobs. Also, at least 87% of all first payments will be made within 14 days and 87% of all continued claims will be made within 7 days. These measures will apply to each WSA.

4. Continuous Improvement

Our commitment to continuous improvement will be reflected in the following manner.

For customer satisfaction, both our employer and citizen customers will report improved satisfaction annually. For citizens served and job orders placed, we will experience annual gains of 5% over PY'98 performance for each of the next five years. For individuals with new jobs, we will experience annual gains of 5% over twice the PY'98 performance.

For PY'02, the gains are already included in the commitments listed above.

The local goals are described on the attached tables.

Effective Date:

Immediately.

Ending Date:

June 30, 2003.

Ownership:

DWD Evaluation Division.

Action:

Advise staff of the revised criteria to be used in evaluating Wagner-Peyser and Unemployment Insurance performance in each workforce service area. Outstanding performance by WSAs will be publicly recognized.

Questions about this can be directed to Patrik Madaras, Director of Evaluation (317/232-8537).

Attachments

Wagner-Peyser/Unemployment Insurance Performance Measures

	MEASURE	COHORT	CALCULATION
Customer Satisfaction	Over half of citizens served by DWD will rate DWD above average or excellent.	Applicants who had an ES or UI service in CS3 between 7/1/02 and 6/30/03.	Calculated by averaging three questions (on a scale of 1 to 10) for applicants and recording the percent who attain an average of 6.5 or greater.
	Over half of employers served by DWD will rate DWD above average or excellent	Employers who placed a job order between 7/1/02 and 6/30/03.	Calculated by averaging three questions (on a scale of 1 to 10) for employers and recording the percent who attain an average of 6.5 or greater.
System Usage	345,000 citizens will be served through CS3 in PY'02.	Citizens that are currently active ES registrants as of 6/30/03 or were active ES registrants within PY'02 in the CS3 system.	ES applicants currently active plus ES applicants who went inactive on or after 7/1/02. Measured only at the state level.
	12,000 employers will be served through CS3 in PY'02.	Employers who placed a job order through CS3 between 7/1/02 and 6/30/03.	A unique count (by ID) of employers with job orders created between 7/1/02 and 6/30/03. (WSA counts will be unique within each WSA. Employers are credited to current office).
Customer Service	28,000 job orders will be recorded into CS3 in PY'02.	Job orders placed through CS3 between 7/1/02 and 6/30/03.	A unique count of job orders created between 7/1/02 and 6/30/03. (WSA counts will be unique within each WSA.)
	69,000 individuals assisted by DWD will get new jobs.	Individuals who had services from DWD and got a job either through referral by DWD or WIA partner (placement); or got a job on their own as a result of services DWD or WIA partner provided (obtained employment). Placement or obtained employment was posted in CS3 between 7/1/02 and 6/30/03.	All individuals who were placed or obtained employment between 7/1/02 and 6/30/03. (WSA counts will be unique within each WSA.)
	87% of all first payments will be made within 14 days.	All first payments made between 7/01/02 and 6/30/03.	Percent of payments made within 14 days from the week-ending date of the first compensable week in the benefit year.
	87% of all continued payments will be made within 7 days.	All continued payments made between 7/01/02 and 6/30/03.	Percent of payments made within 7 days from the week-ending date of the continued week in the benefit year.

WSA Wagner-Peyser Performance Goals for PY'02

WSA	CY'02 FTES	EMPLOYERS SERVED		JOB ORDERS		SECURED EMPLOYMENTS	
		MEET	EXCEED	MEET	EXCEED	MEET	EXCEED
Northwest	16.45	1,032	1,084	2,408	2,528	5,933	6,230
CWI	9.43	592	621	1,380	1,449	3,401	3,571
Northern	14.39	903	948	2,107	2,212	5,191	5,449
Northeast	20.85	1,308	1,374	3,052	3,204	7,520	7,897
Tecumseh	8.52	534	561	1,247	1,310	3,073	3,227
North Central	8.62	541	568	1,262	1,325	3,109	3,265
Madison-Grant	9.73	611	641	1,424	1,495	3,510	3,685
East Central	12.61	791	831	1,846	1,938	4,548	4,776
Western	6.53	410	430	956	1,004	2,355	2,473
Circle Seven	10.08	632	664	1,475	1,549	3,636	3,818
Marion County	19.52	1,224	1,286	2,857	2,999	7,041	7,393
Southeastern	10.41	653	684	1,523	1,600	3,755	3,942
Shawnee Trace	11.60	727	764	1,698	1,783	4,184	4,393
South Central	8.03	503	529	1,175	1,234	2,896	3,041
Southwest	9.13	573	601	1,336	1,403	3,293	3,458
Southern Seven	15.40	966	1,014	2,254	2,367	5,555	5,832
WSA Sum	191.30	12,000	12,600	28,000	29,400	69,000	72,450

WSA Unemployment Insurance Performance Goals for PY'02

UI TIMELINESS MEASURES	MEET LEVEL	EXCEED LEVEL
First Payments	87%	90%
Continued Payments	87%	90%